(b) if so, the details thereof;

(c) whether it is also a fact that in the first six months of the current fiscal, the oil companies have had to bear Rs. 10,000 crores of under recoveries as a result of the non-revision of prices; and

(d) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) Owing to non-revision in domestic consumer prices in line with international prices of PDS Kerosene, Domestic LPG, diesel and petrol during the first half of the current fiscal year, April-September 2004, Oil Marketing Companies estimate their under-recoveries at around Rs. 9800 crore.

Amplification of Rule 43

1271. SHRI LEKHRAJ BACHANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are examining a suggestion to amplify Rule 43 of Petroleum Rules, 2002 to cover shipbreaking activities; and

(b) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. Government have received a suggestion from the Government of Gujarat to amend Rule 43 of the Petroleum Rules, 2002 to include shipbreaking activities so that inspection of ships after beaching is done by the Explosives Department. No decision has been taken as yet.

Decline in IOC's profit

1272. SHRIMATI N.P. DURGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that despite increase in sales, the net profit of the IOC has come down by 31.3 per cent during the second quarter ending 30 September, 2004; and

(b) if so, what are the reasons attributable for this fall in profit?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) The reasons attributed for this fall in profit are:

(i) Under recoveries on sale of Kerosene and Liquified Petroleum Gas (LPG); and

(ii) Reduced market margins on the sale of petrol and diesel due to non-revision of domestic prices in line with the international prices of these products.

Domestic production of LPG

1273. SHRI THANGA TAMIL SELVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to meet LPG demand from the domestic production;

(b) if so, the details thereof;

(c) whether Government have ascertained the reasons which are creating hindrance in production;

(d) if so, the details thereof; and

(e) the time limit fixed for the production to meet the demand in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) Domestic production of LPG is less than domestic consumption. As a result, a part of domestic consumption is met through imports. During 2003-04, domestic production of LPG was 7651.0 Thousand Metric Tonnes (TMT) against the demand of 9305.0 TMT. The setting up of refineries is decontrolled and any capacities, which may, *inter alia,* produce additional LPG, would come up on commercial considerations.

Oil exploration and petroleum refining

1274. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be plased to state: